

Summary

Both Iran and Iraq see short-term advantages to the current lull in attacks on ships in the Persian Gulf. The last attack by Iran took place on 24 May and Iraq's most recent strike was on 18 May. Iraq is pleased by the recent increase in international efforts to press Iran to end the war and by heightened tension between Tehran and the superpowers. In short, the Iraqis have little to gain for now by renewing the anti-shipping war in the Gulf. Tehran hopes to strengthen its longstanding claim that the key to peace is ending Iraqi attacks. Iraq started the anti-shipping war and Iran claims it has struck ships largely in retaliation. Iran also hopes that its restraint will help to undermine UN actions directed at ending the Iran-Iraq war.

(b)(1),(b)(3)

Despite the current hiatus, mounting pressures on Iran and Iraq are likely to lead to renewed attacks on Gulf ships. Iraq probably will resume attacks if it perceives that the

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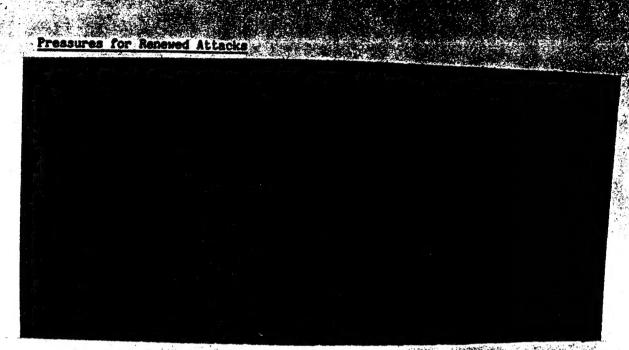
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superpowers are requding efforts to end the Wal of the losing interest in the Gulf; When the US implements its projective measures for Kuwaiti shipping, Iran is likely at the series strikes against non-escorted shipping, May almost pear Kuwaiti and possibly look for opportunities to strike escorted US-flag vessels. The chances also will increase that Iran will conduct terrorism against US interests in the Gulf.

Iran and Iraq have halted attacks on Gulf shipping after hitting a total of 52 ships so far this year. The last Iraq airstrike was on 18 May, a day after the attack on the USS Stark. Iran's most recent ship attack occurred on 28 May, when it hit a Panamanian oil tancer.

Iranian Calculations

Iran almost certainly hopes to use the lull in the ship attacks to achieve a permanent cease-fire in Gulf waters—a longstanding policy objective—and be free to continue the ground war where it has the upperhand. We believe that Iran expects the hiatus to remind the international community that Iraq started the anti-shipping war and to substantiate Iran's claim that Tehran attacks ships only in retaliation for Iraqi strikes. The lull, therefore, strengthens Iran's argument that the key to peace in the Gulf is a permanent Iraqi halt to ship attacks, in which case superpower protection of Kuwaiti shipping becomes unnecessary. Tehran probably also hopes to weaken superpower efforts to achieve a UN Security Council resolution calling for sanctions.



Iran probably believes that superpower protection of Kuwaiti ships sets a precedent that, if unchecked, will lead to steadily expanding superpower intervention on the side of Iraq and its Arab allies. This would threaten to foreclose an Iranian victory over Iraq and to neutralize Iran's aim of achieving hegemony in the Persian Gulf. We believe Iran prefers to force the superpowers and Kuwait to back down without having to resort to a military clash.

If Iran fails to achieve this objective and the US implements its protective measures, Iran is likely to resume attacks against unescorted Kuwaiti ships and perhaps lay sea mines near Kuwait. The possibility would also increase that Tehran would launch terrorist operations against US interests in the Gulf and elsewhere. We believe that Iran would probe cautiously for opportunities to attack escorted US-flag ships, hoping to increase significantly the Gulf states' concern and intensify debate in the United States about the wisdom of US involvement. Tehran is likely to hope that such a debate would weaken US resolve and lead to a US withdrawal. Tehran probably will forego attacks on Soviet-flag ships as long as it perceives that its strategy of easing tension with Moscow is making progress.